

MINUTES

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

Wednesday, December 17, 2004

9:30 AM

Room 643, Legislative Office Building

The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services met on Friday, December 17, 2004 at 9:30 A.M. in Room 643 of the Legislative Office Building. Members present were Senator Martin Nesbitt, Co-Chair; Representative Verla Insko, Co-Chair; Senators Austin Allran, Charlie Dannelly, Jeanne Lucas, and William Purcell and Representatives Jeffrey Barnhart, Beverly Earle, Carolyn Justice, Edd Nye, John Sauls and Paul Stam.

Dr. Alice Lin, Project Manager, Jim Klingler, Kory Goldsmith, Shawn Parker and Rennie Hobby provided staff support to the meeting. Attached is the Visitor Registration Sheet that is made a part of the minutes. (See Attachment No. 1)

Representative Verla Insko, Co-Chair, called the meeting to order and welcomed members and guests. She asked for a motion for the approval of the minutes from the November 17th meeting. Senator Purcell made the motion and the minutes were approved.

Kory Goldsmith, Committee Counsel, gave an update on the Children's Services information session held on December 16th. Ms. Goldsmith reminded members that the Co-Chairs had called several informal meetings of State agency heads and local supervisors of children's services to discuss collaboration and barriers to collaboration. She said the first meeting provided a broad overview of collaboration at the State and local levels with the following meetings narrowing the barriers and focusing on specific solutions. Out of that meeting, the committee determined that a State level council was needed to provide direction and leadership. She explained that the purpose of the work group meeting on the 16th was to make recommendations that would come to the LOC regarding such a Council; it's composition, purpose and matters for consideration for study. Representative Insko said that a bill would be drafted and presented to the Child Services Committee on January 4th for review. The bill would then be presented to the LOC on January 18th for endorsement with a report on the Committee's progress on January 4th. Senator Nesbitt reiterated that several key factors coming from the meetings have been that meetings at the State and local levels are taking place but that key people are not attending. Also, we need collaboration from the Legislative chairs and staff who are involved with children's services. He said the consensus from the groups attending was that they wanted the Legislature to facilitate collaboration.

Dr. Michael Lancaster, Chief of Clinical Policy, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, gave a presentation on target population. (See Attachment No. 2) He began by quoting H.B. 381 that provided

direction for treatment for targeted populations. At that time, the State did not have adequate resources to serve everyone in the State with disabilities so a targeted population was developed for those who could be served most effectively. He explained the consultative process for determining the target population and identified those in the target and the non-target populations. Dr. Lancaster reviewed a chart showing the numbers of persons in the target and non-target population served in North Carolina and a chart showing services delivered by age and disability. Using charts showing estimated populations of adult mental illness, child mental illness, and substance abuse or drug problems, Dr. Lancaster compared the number of persons currently served and not served in the system. According to data collected, substance abuse is one of the most underserved populations in the current system with an estimated 800,000 individuals who meet the target population not being served.

Continuing, Dr. Lancaster said the total expenditure for services in 2004 was \$1.6 billion including State and Federal Medicaid dollars. He reviewed challenges in trying to estimate the total funding needed to expand services to fully serve the target population. He said cost for developmental disabilities was \$47,000 annually per person and \$141 million in funds is needed to fully cover the population. There are currently 3,000 people who are underserved or not being served. Most would qualify under the CAPMRDD waiver but the state can only serve up to the number of CAPMRDD slots the General Assembly has funded.

Dr. Lancaster emphasized the fact that this was not a budget request but rather an illustration that the money is not adequate to serve the target population. In the area of substance abuse, Dr. Lancaster indicated the number of persons coming for treatment is significantly less than the CDC estimated number of people who suffer from a substance abuse problem. He said part of reform was to serve people in the community and reserve the facilities for those in the direst need. Funding for substance abuse is inadequate but reform is looking to the communities and helping those communities develop resources at a local level to provide services.

In adult mental health, using CDC estimates, the Division believes that 260,000 people in the target population are not being served. Of those 20% to 50% are covered by insurance or alternative resources. The remaining 50% are those who should be treated by the public system. The cost would be \$2,300 per case with an additional \$149-\$207 million needed to treat the target population.

Dr. Lin surmised that it was not the intent of the system to enroll everyone in the target population for life or to make people dependent on the public system but rather to make people independent of the system so they can become productive citizens. She said there were problems with the limited resources but reform will ensure core services with a uniform portal for all citizens. She said services should not be terminated without adequate planning and transition.

Regarding the non-target population, Dr. Lancaster said the criteria indicates those persons may have a diagnosis of mental illness related to anxiety, underlying depression or other disorders. He said that 7% of those currently being served are in the non-target

population and that approximately \$11 million had been spent last year to provide services for these individuals. Most of the money spent had been on case management support and outpatient services. Referencing a graph of the adult population with mental health problems, Dr. Lancaster said about 130,000 people are currently being served and that 600,000 people potentially could be in the non-target population. With reform, people coming into the non-target population will have a full range of services, not as comprehensive as those in the target population under the enhanced benefit but a number of these people will move into the target population as their symptoms are identified. Dr. Lancaster also said that every effort was made to identify those who were Medicaid eligible.

Committee members raised the following concerns and issues: the number of adults with serious mental illness in the target population not served by the public system or other insurance; correct diagnosis and treatment of illnesses; system that meets the needs of all people while spending money appropriately; Medicaid eligible children in the court system and language barriers regarding court orders; care of indigent; and coverage for military personnel.

Representative Insko asked Senator Dannelly to brief the committee on the DWI/ADET Advisory Committee. Senator Dannelly said that the Division surveyed 54 ADET schools and achieved a 93% response rate. Of those responding, 47% are certified with the North Carolina Substance Abuse Professional Certification Board. The remaining 30 either have a Master's degree, a Bachelor's degree, were qualified as a CSAC Intern, had an Associate degree or a high school diploma. He said the class size ranged from 3 to 35 people and that the fee was \$75 for a 10-hour course. Other states range from \$300 for 20 hours to \$500 for 16 hours. Senator Dannelly continued by explaining the Division's revised curriculum that calls for a more individualized interactive systems approach. The revised curriculum is considered an evidence-based practice that engages the student in self-assessment and an understanding of the implications of alcohol and drugs. It also outlines the goal to prevent recidivism. He said the Division would develop a research project to track and evaluate ADET school graduates. Recommendations from the group included grandfathering those currently instructing with all future instructors having certification; increasing the fee from \$75 to \$125 to accommodate an increase in class hours from 10 to 16 hours and limiting the class size to no more than 20 students. Senator Dannelly said the subcommittee would present final recommendations to the LOC on January 18, 2005.

Mike Moseley, Division Director, gave an update on system reform. Mr. Moseley first commented that he was encouraged by the partnerships and the collaboration-taking place in the public and private sector. He said that he had recently completed visits to all 15 facilities and 24 of the 33 Local Management Entities. He told members that he would complete the visits by the end of January. Mr. Moseley said the subcommittee of the Physicians Advisory Group for DMA had made its final recommendations on the service definitions. He said that hopefully the Department would be able to submit the final State Plan Amendment for new services to the federal government in early January. He continued by saying the Division had brought providers together from the various disabilities to discuss the associated rates for services. The review should be complete in

early January with the final rates being published in January. He said in order to prepare for system reform, a comprehensive training plan will be issued to the system shortly regarding the new service definitions. Mr. Moseley said 2 major statewide training events are planned in January targeting providers, LMEs, and consumers. In February, more technical training with respect to each of the service definitions is planned for the total system. Target training is planned for consumers. A support structure will also be in place to offer support through the transformation of the new services.

Continuing, Mr. Moseley said a joint work group from the staff of the Division of Vocational Rehabilitation and the Division of MHDDSAS had studied the Adult Developmental Vocational Program System to see if the system needed to be altered as we move forward with system reform. The group made preliminary recommendations on developmental disabilities in August to the Division Director but the group was asked to go back and expand the scope to include consumers with mental health and substance abuse issues and to give fiscal data showing the cost of their recommendations. He said this process should be completed in February or March.

Regarding the Child Mental Health Plan implementation, Mr. Moseley said Dr. Lancaster is leading a group that has been working and formulating recommendations and looking at ways to insure smooth implementation of the new services. He said one issue of particular interest is the children in the residential treatment environment. Alternative treatment must be in place for those in Level 1, Level 2 and Level 3 group homes. The goal is to treat children in the home community with less disruptive, more effective and less costly services. Mr. Moseley said the treatment facilities are Medicaid funded services, so changes made are subject to approval by the Centers for Medicare and Medicaid Services. He said the Division is working on the Medicaid service definition and changes will be ready to submit shortly. Work is also in progress on the alteration of rules within the State structure. After a review by the Secretary in January, the Division will present the information to the Rules Commission at their January meeting. He also said the Secretary is finalizing a regulatory package to be presented to the Legislature during the upcoming Session.

Representative Insko congratulated Senator Foxx on her election to the U.S. Congress and thanked her for her hard work on the committee. Representative Insko also recognized Don Willis who is retiring from the Division and thanked him for his service.

The meeting adjourned at 12:05 P.M.

Senator Martin Nesbitt, Co-Chair

Representative Verla Insko, Co-Chair

Rennie Hobby, Committee Assistant